

**TWG "Services and support
to start-ups and spin offs":
Indicators and self assessment –
experiences and findings**

*With aggregated
indicator ratings and
TOP 11 indicators !!*

**Irma Priedl / Hans-Christian Jäger
Amt der NÖ Landesregierung / IDEUM**

Gothenburg (SWE), October 2004



- Objectives of today
- The exercise – an overview
- Comments on definition of start-up process, indicators and Excel tool
- Self assessments – aggregated results
- Most important indicators
- Further proceeding



- Exchange of gathered experiences
- Identification of most important indicators for start-up support within RPIAs
- Identification of possible future activities (ERIK+?)

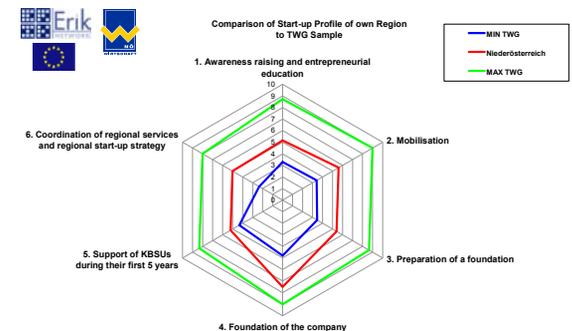
- Development of a set of indicators for single step of the start-up the process



- Development of a Excel based tool to visualise the self assessment according defined indicators

- Dissemination of Set of indicators and Excel tool to ERIK member and associate member regions (23. July 2004)

- Feedback of 7 regions



What is your opinion on this exercise?

What are your experiences?



Benefits?

Points of Criticism?

+ understanding
other views

- regional level
difficult both

+ program level

+ identification of
appropriate indicators

- availability /
lack of
information

- no common
understanding
of indicators

+ monitoring tool /
trend analyses



strengths /
weakness of
region

Focus on knowledge based start-ups (KBSU) which develop and commercialize new products, engineering processes or services based upon a proprietary technology or skill. Start-ups in high and medium tech sectors without own R&D activities and no intentions to commercialize a proprietary new technology, product or service don't belong to our target group; most of those firms are engaged in activities such as distribution, software vending, building of web sites, specialized advice, etc.



Target group too restrictive?

Necessity to redefine the target group ?

no, only to add

“Start-ups with potential for global competition”



- General consensus,
- But some more explanations necessary,
- Especially “Mobilisation of starters” needs further clarification, perhaps change of terminology in “Feasibility”

- Mixture of input and output indicator
- Some indicators are considered as “subindicators” (e.g. 2,4 start-up hunting belongs to 2.2. idea scout)
- Further validation and “interdependence check” necessary
- Metric: given numbers for scoring in some cases too high, e.g. 2.2. idea scout (10:= 1.000 identified ideas per year)
- Considering relative figure instead of absolute figures for scoring? (e.g. 3.5 number of business plans / 1.000 Students/researchers)
- Should national activities also be taken into consideration? – Not for RPIA, but has to be discussed in case of further ERIK+

Step / No	Indicator
1. Awareness raising and entrepreneurial education	
1.1	Information events/days
1.2	Promotion campaigns
1.3	Integration of entrepreneurship in education
1.4	Establishment of new entrepreneurial research and studies
1.5	Regional climate of entrepreneurial culture
1.6	Regional legislative, administrative and tax framework
1.7	Degree of awareness about creating the own start-up as opportunity and realistic alternative to employment
2. Mobilisation	
2.1	Business idea competition
2.2	Technology & business idea scout
2.3	Initial consultation
2.4	Start-up hunting
2.5	“First proof” of business ideas
3. Preparation of a foundation	
3.1	Profiling
3.2	Idea and Partner matching
3.3	Training & individual consulting
3.4	Prototyping Clinics
3.5	Business plan development
3.6	Market & competitor analyses
3.7	Patenting & licensing
3.8	Entrepreneurship on probation

▪
▪
▪



- In most cases no reliable quantitative figures are available
- Thus most scorings are subjective estimations
- Further regional investigations on data necessary → creating the culture
- Qualitative indicators are necessary as completion of quantitative indicators



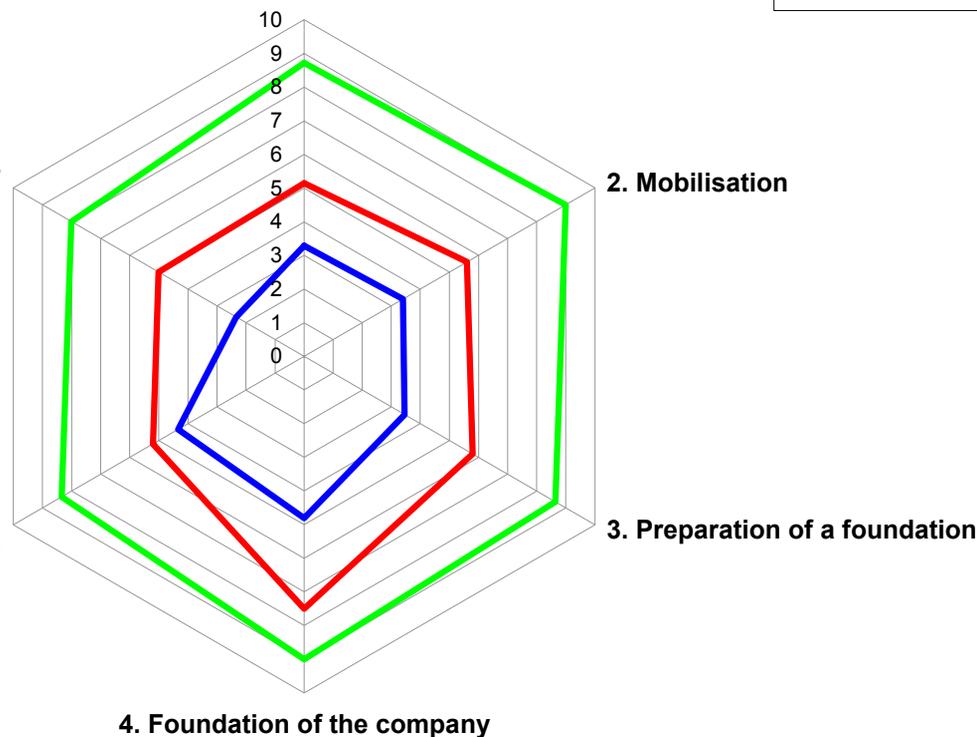
- Visualisation on indicator and step level facilitates the self assessment and allows quick identification of regional gaps in the support of the start-up process
- First-time-users have had problems with scoring: the description limited to 0-5-10 has caused some misunderstanding
- Missing values of single indicators are shown as value "0" in the spider diagram

Self assessments – Profile of NÖ



Comparison of Start-up Profile of own Region to TWG Sample

1. Awareness raising and entrepreneurial education



TWG: Lowest rating with high variance

6. Coordination of regional services and regional start-up strategy

TWG: Highest rating with low variance

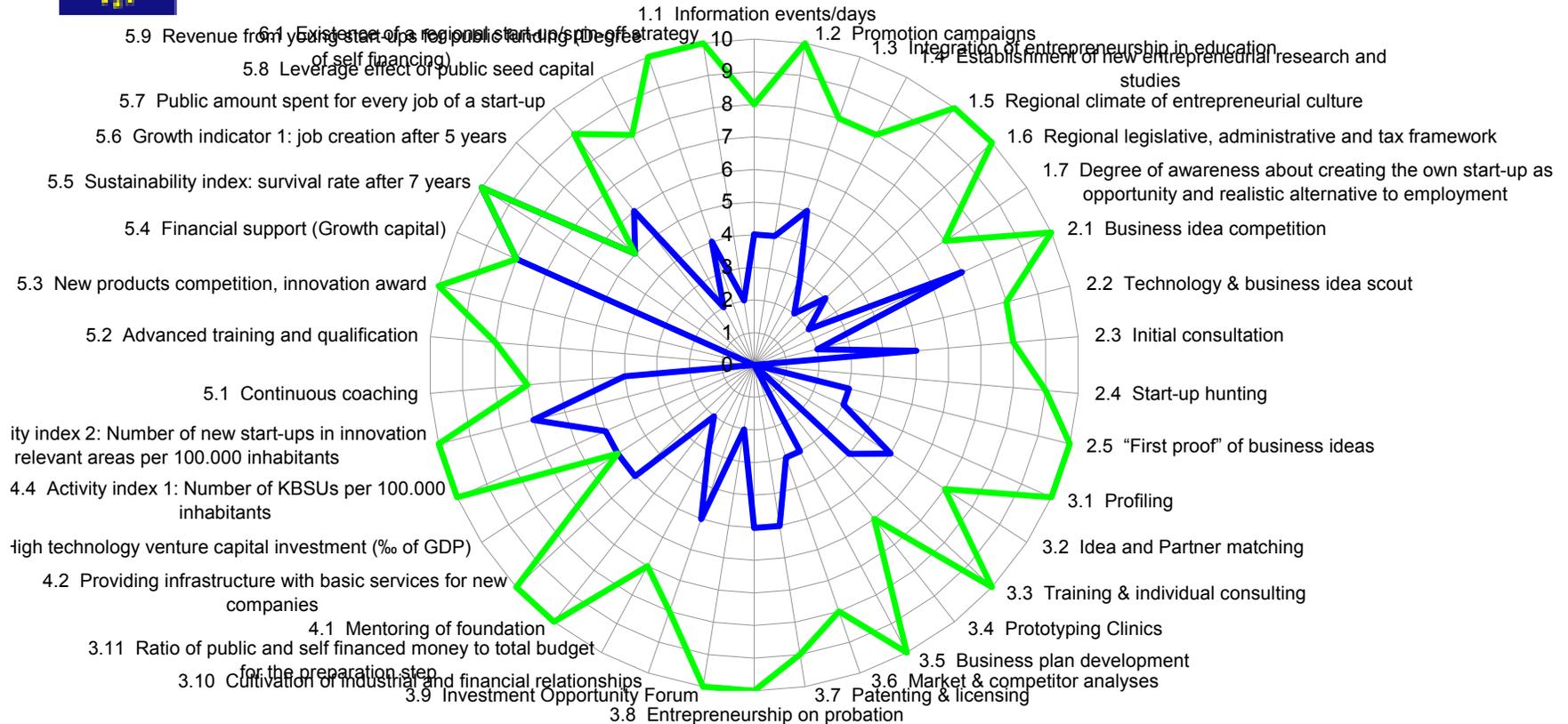
5. Support of KBSUs during their first 5 years

- Support of foundation of company is most developed stage in NÖ
- Start-up initiatives exists,
- But support activities with respect to KBSU are lacking behind common support of start-ups or at least no reliable data for KBSUs exists

Rating of single indicators



Comparison of Start-up Profile of own Region to TWG Sample





- Improved exchange of existing information and experience among the actors in the participating regions
- Better overview over the strengths and weaknesses of the regional start-up supporting activities
→ identification of main focal points for improvement
- Plan to establish the “self assessment group” as a permanent exchange platform for regional start-up activities
- Exercise is acknowledged as support/initiator for the development of a regional monitoring system for start-up support
- Willingness of further elaboration and application of the set of indicator



- Remaining open questions on validation of indicators
- necessary further fine-tuning of single indicators necessary
- Further discussions of involved partners necessary to develop a common understanding and to come up with a trans-regional accepted set of applicable indicators
- sole comparison of scores and spider diagram not applicable at this stage

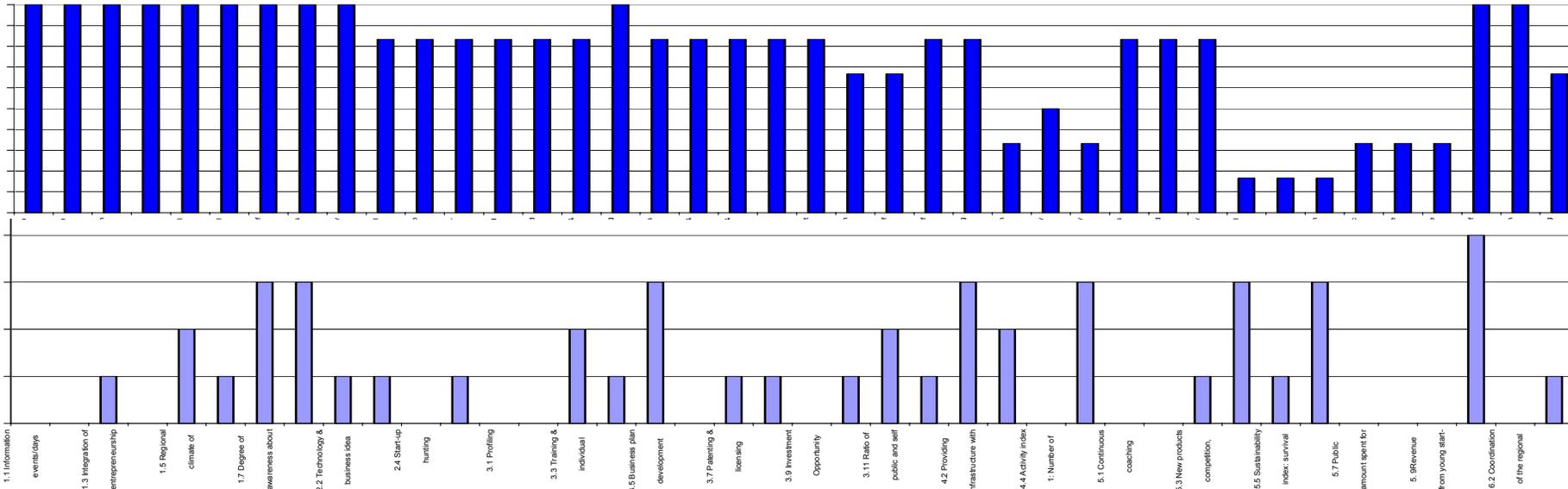


- Set of indicator is a good point of departure
- Excel File is a easy-to-apply facilitator for interregional discussion
- Further discussion on indicators and comparisons of start-up profile will identify Good Practice Cases in other regions which can be adapted to own requirements and needs

Most important indicators (1)



Frequency of rating



Nomination as most important indicator

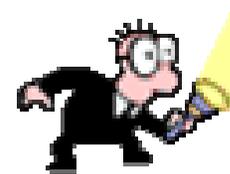
- 6 regions have listed 25 different indicators as most important
- weak correlation between most important and most frequently rated indicators



Are there "5 most important indicators?"

It is difficult to address the 5 most important indicators even within a region, so much harder in a trans-regional network due to

- Broad bandwidth of tools and activities
- Different tasks and views of the involved people of one region
- Different regional frameworks and point of departure of each region
- Different understanding of single indicators



Most important indicators (3)



Finding consensus on the most important indicators to measure and monitor the support of start-ups within the RPIAs.

Indicators with 4 or 3 nominations:

1. 6.1 Existence of a regional start-up/spin-off strategy
2. 1.7 Degree of awareness about creating the own start-up as opportunity and realistic alternative to employment
3. 2.1 Business idea competition
4. 3.5 Business plan development
5. 4.2 Providing infrastructure with basic services for new companies
6. 4.5 Activity index 2: Number of new start-ups in innovation relevant areas per 100.000 inhabitants
7. 5.4 Financial support (Growth capital)
8. 5.6 Growth indicator 1: job creation after 5 years



Discussion results:

listing of 1 input and 1 output indicator for step 1 to 5,
for step 6 (coordination) only 1 input indicator.

These indicators should be used for the description of the overall RPIA, for single Good Practice cases all indicators of the indicators set can be used



Recommendation of Lower Austria for follow-up activities of this TWG on start-ups (not within this ERIK network feasible):

- Getting a common understanding of indicators (validation, definition) by workshops and accompanying studies
- Gathering regional data by participating regions
- In depth comparisons of regional start-up support in the framework of RPIA
- Monitoring of start-up profiles over 1 to 2 years

- Providing the aggregate rating (MIN – MEAN – MAX) for the ERIK regions–
no individual data will be disseminated, which is the individual decision of each region
- Definition of TOP 11 set of indicators
- Some further amendments of set of indicators according comments (e.g. merge of indicators)



See next pages !!

aggregate rating (MIN – MEAN – MAX) for aggregated steps



Step / No	MEAN TWG	MIN TWG	MAX TWG
1. Awareness raising and entrepreneurial education	5,9	3,3	8,7
2. Mobilisation	6,0	3,4	9,0
3. Preparation of a foundation	5,9	3,5	8,6
4. Foundation of the company	6,8	4,8	9,0
5. Support of KBSUs during their first 5 years	6,4	4,3	8,3
6. Coordination of regional services and regional start-up strategy	4,9	2,3	8,0

- 6 regions have participated in the self assessment
- No special weighting of single indicators, the weight of a indicators depends on the number of filled out indicators per step
- MIN TWG: the region with the lowest rating over all indicators for the respective step
- MAX TWG: the region with the highest rating over all indicators for the respective step

aggregate rating (MIN – MEAN – MAX) for single indicators (1)



Step / No	indicator	freq of rating	xxx	MEAN TWG	MIN TWG	MAX TWG
1.1	1.1 Information events/days	100%		5,8	4,0	8,0
1.2	1.2 Promotion campaigns	100%		6,5	4,0	10,0
1.3	1.3 Integration of entrepreneurship in education	100%		6,2	5,0	8,0
1.4	1.4 Establishment of new entrepreneurial research and studies	100%		5,2	3,0	8,0
1.5	1.5 Regional climate of entrepreneurial culture	100%		5,5	2,0	10,0
1.6	1.6 Regional legislative, administrative and tax framework	100%		7,0	3,0	10,0
1.7	1.7 Degree of awareness about creating the own start-up as opportunity and realistic alternative to employment	100%		5,3	2,0	7,0
2.1	2.1 Business idea competition	100%		8,5	7,0	10,0
2.2	2.2 Technology & business idea scout	100%		4,8	2,0	8,0
2.3	2.3 Initial consultation	83%		6,6	5,0	8,0
2.4	2.4 Start-up hunting	83%		3,6	0,0	9,0
2.5	2.5 "First proof" of business ideas	83%		6,4	3,0	10,0

aggregate rating (MIN – MEAN – MAX) for single indicators (2)



Step / No	indicator	freq of rating	xxx	MEAN TWG	MIN TWG	MAX TWG
3.1	3.1 Profiling	83%		5,4	3,0	10,0
3.2	3.2 Idea and Partner matching	83%		6,0	5,0	7,0
3.3	3.3 Training & individual consulting	83%		7,0	4,0	10,0
3.4	3.4 Prototyping Clinics	100%		2,7	0,0	6,0
3.5	3.5 Business plan development	83%		7,2	3,0	10,0
3.6	3.6 Market & competitor analyses	83%		5,8	3,0	8,0
3.7	3.7 Patenting & licensing	83%		7,0	5,0	9,0
3.8	3.8 Entrepreneurship on probation	83%		6,8	5,0	10,0
3.9	3.9 Investment Opportunity Forum	83%		6,2	2,0	10,0
3.10	3.10 Cultivation of industrial and financial relationships	67%		6,3	5,0	8,0
3.11	3.11 Ratio of public and self financed money to total budget for the preparation step	67%		5,0	3,0	7,0
4.1	4.1 Mentoring of foundation	83%		5,8	2,0	10,0
4.2	4.2 Providing infrastructure with basic services for new companies	83%		7,6	5,0	10,0
4.3	4.3 High technology venture capital investment (% of GDP)	33%		5,0	5,0	5,0
4.4	4.4 Activity index 1: Number of KBSUs per 100.000 inhabitants	50%		7,3	5,0	10,0
4.5	4.5 Activity index 2: Number of new start-ups in innovation relevant areas per 100.000 inhabitants	33%		8,5	7,0	10,0

aggregate rating (MIN – MEAN – MAX) for single indicators (3)



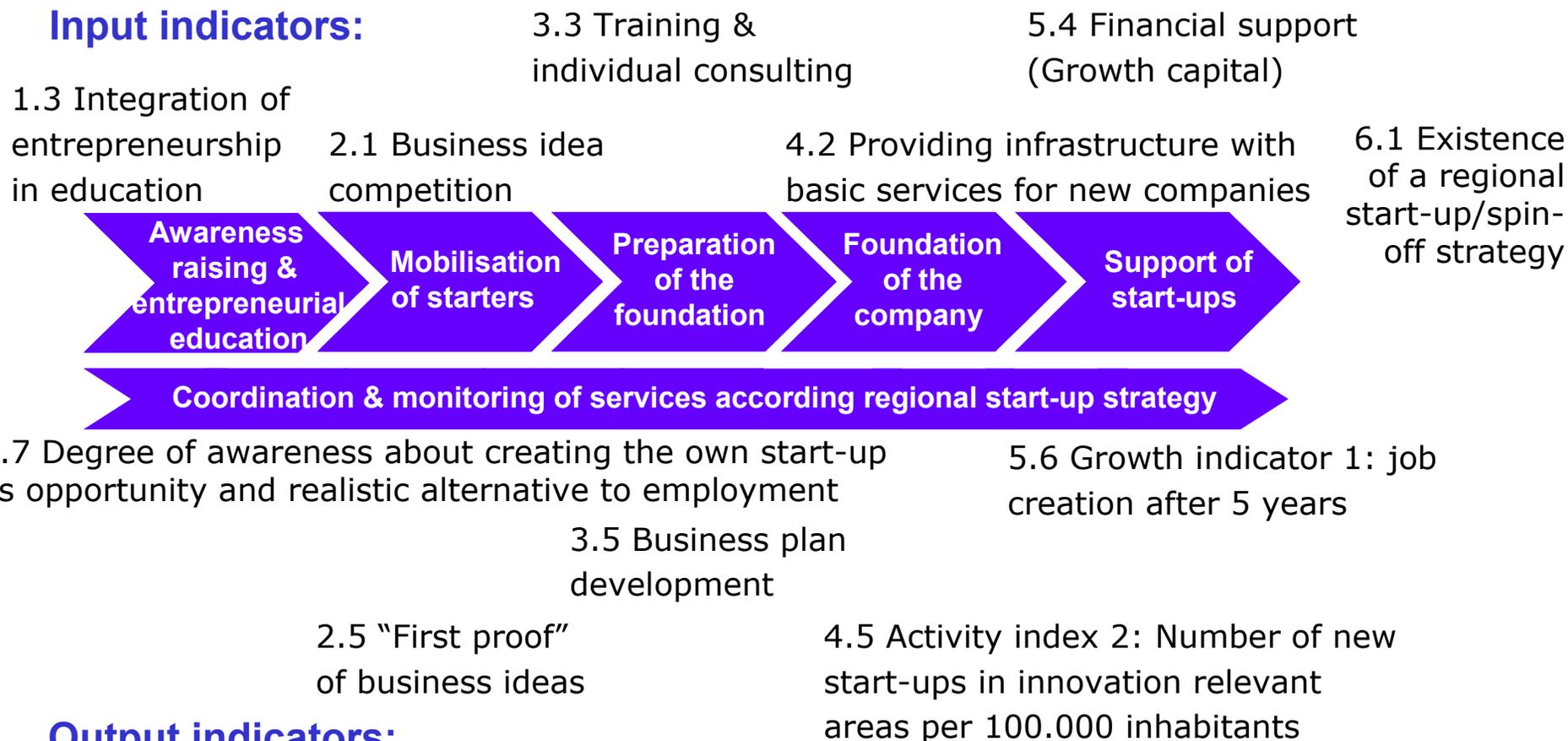
Step / No	indicator	freq of rating	xxx	MEAN TWG	MIN TWG	MAX TWG
5.1	5.1 Continuous coaching	83%		5,4	4,0	7,0
5.2	5.2 Advanced training and qualification	83%		4,4	0,0	8,0
5.3	5.3 New products competition, innovation award	83%		5,6	0,0	10,0
5.4	5.4 Financial support (Growth capital)	17%		8,0	8,0	8,0
5.5	5.5 Sustainability index: survival rate after 7 years	17%		10,0	10,0	10,0
5.6	5.6 Growth indicator 1: job creation after 5 years	17%		5,0	5,0	5,0
5.7	5.7 Public amount spent for every job of a start-up	33%		7,5	6,0	9,0
5.8	5.8 Leverage effect of public seed capital	33%		5,0	2,0	8,0
5.9	5.9 Revenue from young start-ups for public funding (Degree of self financing)	33%		7,0	4,0	10,0
6.1	6.1 Existence of a regional start-up/spin-off strategy	100%		5,5	2,0	10,0
6.2	6.2 Coordination of the regional support services	100%		6,3	4,0	9,0
6.3	6.3 Monitoring of services and support for KSBUs	67%		3,0	1,0	5,0

Set of TOP 11 Indicators



For every step 1 input and 1 output indicator is defined according the frequency of nominations within the performed exercise. In case of equal number of nominations, the frequency of ratings and if necessary the appraisal of Lower Austria as TWG coordinator is considered.

Input indicators:



Output indicators: